

February 14, 2000

Mr. James A. Hutton
Director-Licensing, MC 62A-1
PECO Energy Company
Nuclear Group Headquarters
Correspondence Control Desk
P.O. Box No. 195
Wayne, PA 19087-0195

SUBJECT: NOTICE OF CONSIDERATION OF APPROVAL OF TRANSFER OF FACILITY
OPERATING LICENSES AND CONFORMING AMENDMENTS, AND
OPPORTUNITY FOR A HEARING - PEACH BOTTOM ATOMIC POWER
STATION, UNITS 2 AND 3 (TAC NOS. MA7802 AND MA7803)

Dear Mr. Hutton:

Enclosed is a copy of a notice entitled, "Notice of Consideration of Approval of Transfer of Facility Operating Licenses and Conforming Amendments, and Opportunity for a Hearing," related to the application dated December 21, 1999, and supplement dated February 11, 2000, filed by PECO Energy Company (PECO), Public Service Electric and Gas Company, PSEG Nuclear LLC, Atlantic City Electric Company (ACE), and the Delmarva Power and Light Company (DP&L). The application (pursuant to 10 CFR 50.80) seeks approval of the proposed transfer of the licenses for the Peach Bottom Atomic Power Station, Units 2 and 3 (Peach Bottom), Facility Operating Licenses Nos. DPR-44 and DPR-56, respectively, to the extent now held by ACE and DP&L, to PECO and PSEG Nuclear LLC. The application also seeks (pursuant to 10 CFR 50.90) the issuance of conforming amendments to the licenses to reflect the transfers.

This notice is being forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Bartholomew C. Buckley, Senior Project Manager, Section 2
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-277 and 50-278

Enclosure: Notice for Peach Bottom License Transfer

cc w/encl: See next page

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P.O. Box No. 195
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SUBJECT: NOTICE OF CONSIDERATION OF APPROVAL OF TRANSFER OF FACILITY OPERATING LICENSES AND CONFORMING AMENDMENTS, AND OPPORTUNITY FOR A HEARING - PEACH BOTTOM ATOMIC POWER STATION, UNITS 2 AND 3 (TAC NOS. MA7802 AND MA7803)

Dear Mr. Hutton:

Enclosed is a copy of a notice entitled, "Notice of Consideration of Approval of Transfer of Facility Operating Licenses and Conforming Amendments, and Opportunity for a Hearing," related to the application dated December 21, 1999, and supplement dated February 11, 2000, filed by PECO Energy Company (PECO), Public Service Electric and Gas Company, PSEG Nuclear LLC, Atlantic City Electric Company (ACE), and the Delmarva Power and Light Company (DP&L). The application (pursuant to 10 CFR 50.80) seeks approval of the proposed transfer of the licenses for the Peach Bottom Atomic Power Station, Units 2 and 3 (Peach Bottom), Facility Operating Licenses Nos. DPR-44 and DPR-56, respectively, to the extent now held by ACE and DP&L, to PECO and PSEG Nuclear LLC. The application also seeks (pursuant to 10 CFR 50.90) the issuance of conforming amendments to the licenses to reflect the transfers.

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Docket Nos. 50-277 and 50-278

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UNITED STATES NUCLEAR REGULATORY COMMISSION

PECO ENERGY COMPANY

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

DELMARVA POWER AND LIGHT COMPANY

ATLANTIC CITY ELECTRIC COMPANY

PEACH BOTTOM ATOMIC POWER STATION, UNITS 2 AND 3

DOCKET NOS. 50-277 AND 50-278

NOTICE OF CONSIDERATION OF APPROVAL OF TRANSFER OF
FACILITY OPERATING LICENSES AND CONFORMING AMENDMENTS,
AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an order under 10 CFR 50.80 approving the transfer of Facility Operating License No. DPR-44 for the Peach Bottom Atomic Power Station, Unit 2, and Facility Operating License No. DPR-56 for the Peach Bottom Atomic Power Station, Unit 3, to the extent currently held by the Delmarva Power & Light Company (DP&L) and the Atlantic City Electric Company (ACE) in connection with each of their 7.51 percent undivided ownership interests in each of the Peach Bottom units. The transfer would be to the PECO Energy Company (PECO) and PSEG Nuclear LLC (PSEG Nuclear). The Commission is also considering amending the licenses for administrative purposes to reflect the proposed transfer.

According to an application for approval filed by PECO, Public Service Electric and Gas Company (PSE&G), PSEG Nuclear, DP&L, and ACE, both PECO and PSEG Nuclear would acquire DP&L's and ACE's ownership interests in the facility following approval of the proposed transfer of the licenses. Depending upon the timing of a planned restructuring of PSE&G, as

an interim step the interests of DP&L and ACE to be ultimately acquired by PSEG Nuclear may be transferred first to PSE&G or to PSEG Power LLC, the parent of PSEG Nuclear, and then to PSEG Nuclear. PECO, which presently owns a 42.49 percent interest in both units, and is the licensed operator of the facility, would continue to be responsible for the operation, maintenance, and eventual decommissioning of the Peach Bottom station. No physical changes to the Peach Bottom facility or operational changes are being proposed in the application.

The proposed amendment would remove references in the licenses to ACE and DP&L, and add references to PSEG Nuclear, as appropriate, to reflect the proposed transfer. Since PECO is already shown as a licensee in the licenses, it will not need to be added to the licenses.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. The Commission will approve an application for the transfer of a license, if the Commission determines that the proposed transferee is qualified to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

Before issuance of the proposed conforming license amendments, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations.

As provided in 10 CFR 2.1315, unless otherwise determined by the Commission with regard to a specific application, the Commission has determined that any amendment to the license of a utilization facility which does no more than conform the license to reflect the transfer action involves no significant hazards consideration. No contrary determination has been made with respect to this specific license amendment application. In light of the generic

determination reflected in 10 CFR 2.1315, no public comments with respect to significant hazards considerations are being solicited, notwithstanding the general comment procedures contained in 10 CFR 50.91.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the license transfer application, are discussed below.

By March 9, 2000, any person whose interest may be affected by the Commission's action on the application may request a hearing, and, if not the applicants, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance with the Commission's rules of practice set forth in Subpart M, "Public Notification, Availability of Documents and Records, Hearing Requests and Procedures for Hearings on License Transfer Applications," of 10 CFR Part 2. In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.1306, and should address the considerations contained in 10 CFR 2.1308(a). Untimely requests and petitions may be denied, as provided in 10 CFR 2.1308(b), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.1308(b)(1)-(2).

Requests for a hearing and petitions for leave to intervene should be served upon counsel for PECO Energy Company, Paul J. Zaffuts, Esquire, Morgan, Lewis & Brockius, LLP, 1800 M Street, NW, Washington, DC 20036-5869 (tel: 202-467-7537 and e-mail: pjzaffuts@mlb.com); counsel for Public Service Electric & Gas Company and PSEG Nuclear LLC, David A. Repka, Esquire, Winston & Strawn, 1400 L Street, NW, Washington, DC 20005-3502 (tel: 202-371-5726 and e-mail: drepka@winston.com); counsel for Atlantic City Electric Company and Delmarva Power & Light Company, John H. O'Neill, Jr., Esquire, and Matias F. Travieso-Diaz, Esquire, Shaw Pittman, 2300 N. Street, NW, Washington, DC

20037-1128 (tel: 202-663-8148 email: john.o'neill@shawpittman.com); the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555 (e-mail address for filings regarding license transfer cases only: ogclt@nrc.gov); and the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, in accordance with 10 CFR 2.1313.

The Commission will issue a notice or order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the FEDERAL REGISTER and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, by March 20, 2000, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, and should cite the publication date and page number of this FEDERAL REGISTER notice.

For further details with respect to this action, see the application dated December 21, 1999, and supplement dated February 11, 2000, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW, Washington,

DC, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site: <http://www.nrc.gov>.

Dated at Rockville, Maryland this 14th day of February 2000.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Bartholomew C. Buckley, Senior Project Manager, Section 2
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Peach Bottom Atomic Power Station,
Units 2 and 3

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